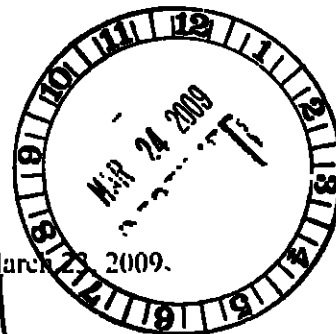




ATTORNEYS AT LAW SINCE 1898

Eric M. Hocky  
Direct Dia 215 640 8523  
Email ehocky@thorpreed.com

ENTERED  
Office of Proceedings  
MAR 24 2009  
Part of  
Public Record



VIA OVERNIGHT DELIVERY

Hon. Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 I Street SW  
Washington, DC 20021

224741

March 23, 2009.

Re U.S. Rail Holdings, LLC  
- Lease and Operation Exemption -  
Winamac Southern Railway Company and Kokomo Grain Co., Inc  
STB Finance Docket No. 3523-1

Dear Secretary Quinlan

Enclosed for filing please find the original and 10 copies of the Notice of Exemption of U.S. Rail Holdings, LLC. Also enclosed is our check in the amount of \$1800 representing the filing fee for this Notice.

Please time stamp the extra copy of the Notice to indicate receipt and return it to me in the self-addressed stamped envelope provided for your convenience.

Please let know if there are any questions about the filing. Thank you for your assistance.

Respectfully,

Eric M. Hocky

EMH/c

Enclosures

**FEE RECEIVED**

MAR 24 2009

STB  
**TRANSPORTATION BOARD**

**FILED**

MAR 24 2009

**SURFACE  
TRANSPORTATION BOARD**

P. Hocky

Eric M. Hocky

Eric M. Hocky

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Thorp Reed & Armstrong, LLP  
One Commerce Square  
2005 Market Street  
Suite 1800  
Philadelphia, PA 19103  
215 640 8523  
215 640 8524

224741

BEFORE THE  
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO 35234



**FILED**  
MAR 24 2009  
SURFACE  
TRANSPORTATION BOARD

U S RAIL HOLDINGS, LLC

- LEASE AND OPERATION EXEMPTION -

WINAMAC SOUTHERN RAILWAY COMPANY AND KOKOMO GRAIN CO., INC.

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VERIFIED NOTICE OF EXEMPTION  
UNDER 49 C.F.R. § 1150.31, et seq.

**FEE RECEIVED**

MAR 24 2009

**SURFACE  
TRANSPORTATION BOARD**

ENTERED  
Office of Proceedings  
MAR 24 2009  
Part of  
Public Record

ERIC M HOCKY  
THORP REED & ARMSTRONG, LLP  
One Commerce Square  
2005 Market Street, Suite 1910  
Philadelphia, PA 19103  
(215) 640-8500

Dated March 23, 2009

Attorneys for U. S Rail Holdings, LLC

BEFORE THE  
**SURFACE TRANSPORTATION BOARD**  
STB FINANCE DOCKET NO. 35234

**U S RAIL HOLDINGS, LLC**  
**- LEASE AND OPERATION EXEMPTION -**  
**WINAMAC SOUTHERN RAILWAY COMPANY AND KOKOMO GRAIN CO., INC.**

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**VERIFIED NOTICE OF EXEMPTION**  
**UNDER 49 C.F.R. § 1150.31, et seq.**

This Verified Notice is filed pursuant to 49 C.F.R. §1150.31 by U S Rail Holdings, LLC ("Holdings"), a non-carrier, to exempt from regulation under 49 U.S.C. §10901, its lease and operation of the lines of railroad (the "Rail Lines") described on Exhibit A and shown on the map attached as Exhibit B. The Rail Lines are currently owned by Winamac Southern Railway Company ("WSRY") and Kokomo Grain Co., Inc. ("Kokomo Grain"), and operated by U S RAIL Corporation ("US RAIL").<sup>1</sup> The total mileage of the Rail Lines is approximately 58.89 miles. Immediately upon the effective date of this exemption, Holdings will designate U S RAIL to be the operator of the Rail Lines. This filing is related to the notice of exemption being filed today in *Gabriel D. Hall – Corporate Family Transaction Exemption – U S Rail Holdings, LLC and U S RAIL Corporation*, STB Finance Docket No. 35235.

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<sup>1</sup> U S RAIL was authorized to lease and operate the Rail Lines in *U S RAIL Corporation Lease and Operation Exemption – Winamac Southern Railway Company and Kokomo Grain Company*, STB Finance Docket No. 35205 (served December 31, 2008).

## **Notice**

In accordance with 49 C.F.R. §1150.33, Holdings hereby states as follows:

(a) The full name and address of Applicant: U.S. Rail Holdings, LLC,  
7846 Central Ave., Toledo, Ohio 43617

(b) The name, address and telephone number of the representative of Holdings who should receive correspondence: Eric M. Hocky, Esquire, Thorp Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1910, Philadelphia, PA 19103, (215) 640-8500

(c) Holdings has entered into a new ten-year lease agreement with WSRV and Kokomo Grain to cover operation of the Rail Lines. (The current lease with US RAIL will be terminated.) Under the new lease, Holdings has authority to appoint an operator for the Rail Lines, and it intends to appoint US RAIL as the operator.<sup>2</sup>

(d) US RAIL will be the operator of the Rail Lines. Holdings will have residual common carrier authority.

(e) **Brief Summary of the Proposed Transaction**

The Rail Lines are currently operated by US RAIL. Primarily for financing purposes, Holdings was formed to become the lessee of the Rail Lines. It has entered into a new ten-year lease with WSRV and Kokomo Grain. Holdings will immediately, as permitted under the lease, appoint US RAIL as the operator of the Rail Lines. Holdings will have residual common carrier authority.

---

<sup>2</sup> Holdings has been established primarily for financing purposes, and currently does not intend to operate as a railroad; however, Holdings acknowledges that in leasing the Rail Lines it will have residual common carrier authority.

(1) The names and address of the owners of the Rail Lines who have leased the Rail Lines to Holdings Winamac Southern Railway Company and Kokomo Grain Co. Inc , 1002 West Morgan Street, PO Box 745, Kokomo, IN 46903-0745

The current operator is U S RAIL Corporation, 7846 Central Ave , Toledo, Ohio 43617 Based on the appointment of Holdings, US RAIL will continue as the operator of the Rail Lines

(2) The new lease with Holdings will be effective on April 23, 2009, thirty days after the filing of this Notice of Exemption

(3) Milepost descriptions of the Rail Lines are shown on Exhibit A attached hereto All of the lines are located in Indiana

(4) The total mileage to be leased and operated is approximately 58.89 miles

(f) Attached as Exhibit A to this Notice of Exemption is a map of the Rail Lines

(g) Holdings certifies that its projected revenues as a result of the transaction will not exceed those that would qualify it as a Class III carrier <sup>3</sup>

(h) The Rail Lines connect with lines of Norfolk Southern Railway ("NSR") at Marion Goodman Yard and Clymers, with TPW at Logansport, and with CERA at Kokomo <sup>4</sup> Holdings is not aware of any existing interchange commitments with any of the

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<sup>3</sup> Holdings additionally certifies that its projected revenues after the transaction will not exceed \$5,000,000 per year

<sup>4</sup> There is not currently an interchange with NSR at Clymers

1000-0513

connecting carriers, and does not contemplate that any will be required as part of this transaction. The existing interchange arrangements between U S RAIL and connecting carriers will continue.

### **Environmental and Historic Reports**

Pursuant to 49 C.F.R. §1105.6(c)(2)(i), no environmental documentation should be required because this proceeding involves authority for an acquisition under 49 U.S.C. §10901 for continued operations that will not exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (e)(5).

No historic report under 49 C.F.R. §1105.8(b)(1) should be required because the transaction merely involves an acquisition for continued rail operations, and further Board approval is required to discontinue or abandon any service. Holdings has no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older.

### **Labor Protection**

Pursuant to 49 U.S.C. §10901(c), approval of this transaction may not be subjected to labor protection conditions.

**Caption Summary**

Attached hereto as Exhibit C is the caption summary required by 49 C.F.R. §1150.34

Respectfully submitted,

ERIC M. HOCKEY  
THORP REED & ARMSTRONG, LLP  
One Commerce Square  
2005 Market Street, Suite 1910  
Philadelphia, PA 19103  
(215) 640-8500

Dated March 23, 2009

Attorneys for U.S. Rail Holdings, LLC

# VERIFICATION

I, Gabriel D. Hall, authorized Member of U S Rail Holdings, LLC, verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing document

Executed on March 23, 2009

  
\_\_\_\_\_  
Gabriel D. Hall



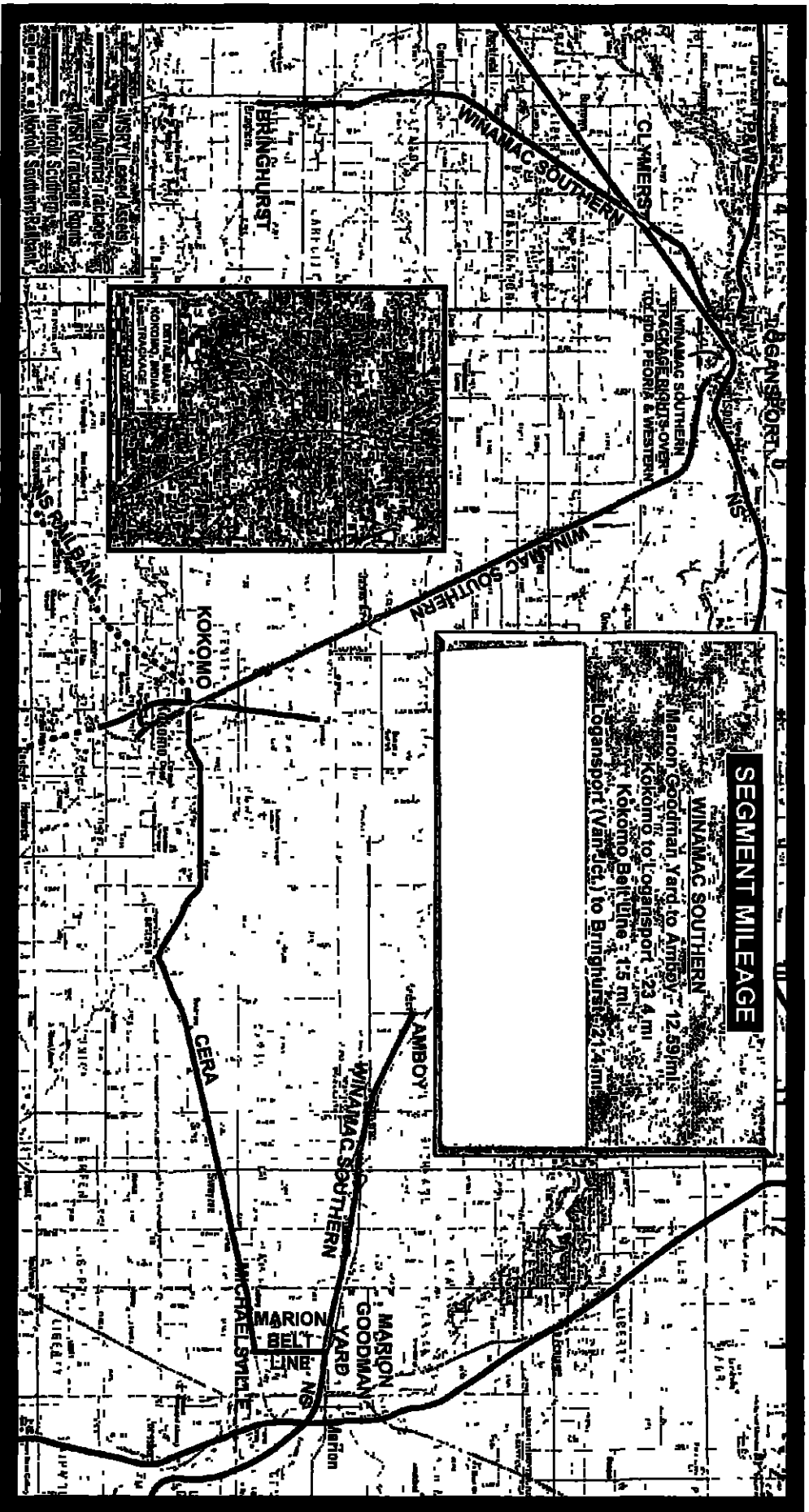
## **DESCRIPTION OF RAIL LINES**

## **EXHIBIT A**

Winamac Southern Railway Company and Kokomo Grain Co., Inc. Mileage  Indiana			
			M.P.
<b>Bringham Line</b>			
Bringham	M P		50.1
Van Jet (Logansport)	M P		71.5
<b>Total Mileage Bringham Line</b>			<b>21.4</b>
<b>Kokomo Line</b>			
Eighteenth St. Yard (Logansport)	M P		74.5
Kokomo	M P		97.9
<b>Total Mileage Kokomo Line</b>			<b>23.4</b>
<b>Kokomo Belt Line</b>			
E. Markland Ave (Kokomo)	M P		0.0
S. Union St (Kokomo)	M P		1.5
<b>Total Mileage Kokomo Belt Line</b>			<b>1.5</b>
<b>Amboy Line</b>			
Amboy	M P		147.07
Marion	M P		134.48±
<b>Total Mileage Amboy Line</b>			<b>12.59</b>
<b>TOTAL MILEAGE</b>			<b>58.89</b>

**MAP**

**EXHIBIT B**



# **WINAMAC SOUTHERN RAIL SYSTEM**

## **CAPTION SUMMARY**

## **EXHIBIT C**

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

**STB FINANCE DOCKET NO. 35234**

**U S RAIL HOLDINGS, LLC  
- LEASE AND OPERATION EXEMPTION -  
WINAMAC SOUTHERN RAILWAY COMPANY AND KOKOMO GRAIN CO., INC.**

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U S Rail Holdings, LLC ("Holdings"), a non-carrier, has filed a Notice of Exemption to lease from Winamac Southern Railway Company and Kokomo Grain Co., Inc., and to operate, the following rail lines in Indiana: (a) between M P 50.1 at Bringham and M P 71.5 at Van Wert (Logansport), (b) between M P 74.5 at Eighteenth St. Yard (Logansport) and M P 97.9 at Kokomo, (c) between M P 0.0 at E. Markland Ave. (Kokomo) and M P 1.5 at Union St. (Kokomo), and (d) between M P 147.07 at Amboy, and M P 134.48 ± at Marion. The total mileage to be acquired and operated is approximately 58.89 miles. The rail lines are currently operated by U S RAIL Corporation ("U S RAIL"). Pursuant to the lease, Holdings will immediately appoint U S RAIL to continue as the operator of the rail lines. Holdings will have residual common carrier authority. This notice is related to the notice of exemption being filed today in *Gabriel D. Hall – Corporate Family Transaction Exemption – U S Rail Holdings, LLC and U S RAIL Corporation*, STB Finance Docket No. 35235.

Comments must be filed with the Board and served on Holdings's representative, Eric M. Hocky, Esquire, Thorp Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1910, Philadelphia, PA 19103, (215) 640-8500.

The Notice is filed under 49 C.F.R. §1150.41. If the Notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. §10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.